

# GUIDE TO PERFORMANCE REVIEWS

## Introduction

Employee Performance Reviews/Appraisals are a formal vehicle for reviewing performance of employees, setting objectives and identifying training and development needs. They can also be a useful way of motivating staff.

## Who carries out performance reviews?

This is most appropriately the individual's immediate line manager as this is the person most likely to be familiar with the employee's day-to-day performance. It is useful to allow the line manager's own manager space for a comment on the review from for three reasons:

- It keeps the senior manager informed of how the staff are developing
- The member of staff feels someone more senior is taking an interest in them
- It enables the senior manager to monitor how his/her direct reports are appraising their teams.

## Who should be reviewed?

Reviews are of benefit to everyone. However, if introducing the process for the first time it may be appropriate to start with managers' reviews to gain commitment from them and to enable the new process to be cascaded through the organisation.

## How often should reviews take place?

This will vary according to your organisation and what is practicable. It is generally better to have one annual review well planned and thoughtfully carried out, than three a year, rushed through as a paperwork exercise. It may also depend upon the level or stage in the person's career, e.g. a young graduate is likely to need more regular feedback and direction than a person reaching the end of their working career.

## Format for a review

It is important that all managers are given some training on review interviewing. Employees also need to know what the purpose of the process is, as they may be suspicious depending on the background and culture of the organisation. Usually a review is concerned with three key areas:

- The past year - What was achieved? What was not achieved? Why? What areas of improvement in the person's performance are there?
- The forthcoming year - setting objectives that are SMART:
  - Specific - detail specific objectives
  - Measurable - how will you know if the employee has achieved the result?
  - Achievable - within timescale, budget etc.
  - Realistic
  - Time Based - either by deadline or on a degree of frequency e.g. fire training is a legal requirement and will need to be repeated every 6-12 months.
- Identifying what the person needs to achieve these e.g. training/development, resources etc.

Note that this list doesn't mention pay issues since pay should not be discussed during a performance review. Pay review incorporates three important areas of which performance is only one. Please refer to the Pay Review Guide in the Reward section of HRtools™.

Traditionally the performance review was led by the manager, and consisted of one-way feedback and objective setting. Nowadays more and more organisations operate an 'open' approach to the review with the meeting involving more two-way communication. From an open discussion the "reviewer" can also learn about their own performance in developing these individuals.

Some organisations take this one step further and solicit feedback from a variety of different individuals including the person's own staff and colleagues as well as having the individual self-appraise. This process is usually called 360 degree feedback.

### **360 degree feedback**

The most common approach to performance appraisals involves the individual's immediate superior conducting the assessment. While the boss will know a lot about the management and other abilities of the individual, it is unlikely that the individual's own staff or colleagues would respond in the same way. 360 degree feedback is a performance appraisal process that obtains feedback from a variety of different sources including subordinates, colleagues and superiors.

360 degree feedback is often quite a nerve-racking process for managers to go through initially. However, this concern is often unwarranted as the majority of individuals greatly overestimate the amount of negative feedback they will receive from their staff. Considerable research has gone into 360 degree feedback, and the general feeling is that a well set up process, handled sensitively by all involved, can be a valuable tool in assisting with personal development.

## **APPRAISAL CHECKLIST**

### **Before the interview**

Allow time for preparation (both appraiser and appraisee). Consider:

- Objectives
- Achievements
- Changes
- Relationships
- Self-development

These should be for the past and forthcoming year.

### **During the Interview**

#### **DO**

- Be prepared (it can benefit you and the organisation)
- Listen and ask questions
- Concentrate on performance (i.e. behaviours that can be changed) and not personality
- Be specific when reviewing past successes and errors

- Criticise constructively
- Agree objectives jointly

### **DON'T**

- Be unprepared (it shows a lack of interest in your staff)
- Impose your ideas and objectives
- Be destructive or emotional
- Be vague

### **After the Interview**

- Record promptly while it is fresh in your mind
- Monitor progress
- Follow up any issues